RJ Reynolds Tobacco Company

File - Trip Report

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VIA ELECTRONIC MAIL

September 24, 1993

TO: E.S. Riggs

RE: **Monthly Trip Report -- September 1993**

Dear Earl:

I. Volume and Share Performance

Special Business Building Programs:

Giant Supermarkets (155 stores):

- I conducted a one week buy-down (8-9-93 through 8-15-93) utilizing Giant's scanning data on cartons sold during this week.
- Listed below are the results of this buy down:

8-9-93 through 8-15-93 One Week
Giant Buy-Down

Brand	Ctns. Sold	Buy-down cost	Avg. Buy Down Cost Per Ctn.
Dorals:	1555	$ 3,997.50	$2.57
Camels:	1337	$ 4,875.51	$3.65
Now:	1595	$ 6,135.15	$3.85
Salem:	3742	$14,177.46	$3.79
Vantage:	1038	$ 3,893.64	$3.76
Winston:	1257	$ 4,692.51	$3.74
More:	776	$ 3,049.68	$3.93
Totals:	**11,300 ctns.**	**$40,821.45**	**$3.62**

****RJR brands Excluding all Snipe Product!!**

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Source: https://www.industrydocuments.ucsf.edu/docs/kkjn0000

Overall Effectiveness of Program:

As comparison, if we placed $4.00 ctn. coupons in all 155 stores during the period of 8-9-93 through 8-20-93 I feel a low estimate would have been 130 coupons per store.

130 coupons @ $4.12 cost =	$535.60	per store
	x155	stores
	$83,018.00	**Total Cost**

Proposed cost:	$83,018.00
Actual Cost:	- $40,821.45
****Total Dollar Savings:**	**$42,196.55**

**Not included in the dollar savings is manpower and all related costs involved in placing coupons at retail.

In addition, Giant Established a precedent in reducing RJR retails in Maryland, VA and Washington DC. Therefore the majority of other retailers reduced retail pricing accordingly that may have waited several weeks. i.e.: Rite aid, Safeway, A&P etc. Key!

Obviously, this was a very successful/cost efficient program.

II. Field/National Programs

Winston Select $2.00/20 cent Sniped Product

Safeway (150 stores): Chain ID#0101-02-07	Gained Approval for all 6 Styles Effective 9-15-93. Orderbook and merchandising efforts to be handled at store level.
7-Eleven (888 stores): Chain ID#0001-06-03	Gained Approval for all 6 styles to transition to our snipe product upon depletion of D.A. inventories on B1G1F/B5G5F Product.
Giant (157 stores):	I presented Winston Select Styles -- pending approval.
Superfresh: (Baltimore/Wash. Divisions)	I presented Monarchs and Winston Select Styles -- pending approval. (Superfresh in the only chain of mine that has a PM/competitive PL/BW brand in Distribution. And an RJR brand is not represented.) The only PL/BW Brand stocked is PM's All American Eagle with very slow movement, which provides much opportunity for Monarch.

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Highs of Balt.(137 stores): Approved all six styles of Winston select to transition from B1G1F product to $2.00 snipe product.

Mobil Oil (650 stores): Approved all six styles of Winston Select to transition from B1G1F product to $2.00 snipe product.

Camel Cash IV Lotto Program

- Chain presentations will be completed by the end of Sept. '93 and I will advise of results in my next monthly status report.

III. Merchandising

Giant Supermarkets: On 8/24 and 8/25.I installed RJR Enhanced lighted canopy and new retro-fit decor on RJR flex end CAP fixtures in Giant store #1042 and #1045. This "Enhanced Lighted" canopy replaced our current small (6") canopy which was not lighted and without any RJR advertising. I set these stores as a "test" for future expansion.

Safeway: Safeway store #1298 was used as a "test" for NSS/Courtesy Booth stores. I implemented 8' LP spring load package fixtures with lighted canopy to replace our 20 column package rack (NSS). I set RJR cartons on the top shelves of their dealer-owned gondola shelves - NSS/Highly visible and gained approval to place our Doral/Scotch Buy saving center on self service directly in front of courtesy booth for Exclusive Merchandising of Doral/SB Carton and Pack sales.

Key RJR/Competitive Trends:

- all chains have reduced their retail prices to reflect our list price reductions.
- 7-Eleven Chesapeake division Corp. Stores (880 stores): My local contact has established two retail price points for all cigarette brands. Ket!

PM's premium buy brands retail for the same price as RJR Monarchs, Doral Etc.I Although premium buy is a lower cost from Mclane Wholesale.

This is truly a significant accomplishment as we (RJR) will not have to utilize any "WarChest" money to gain/maintain retail price parity.

As information, other 7-11 Corp. divisions (i.e. Dallas, Texas) have 3 retail price points with premium buy as the exclusive everyday low cost brand.

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Source: https://www.industrydocuments.ucsf.edu/docs/kkjn0000

IV. Direct Accounts

NCC-LP Corporate (10 houses):

- RJR's 4th largest wholesale account and soon to be our 3rd largest account.
- YTD through Aug. '93 dollars sales = $120,997,903 (increase vs. 1992 of) (+) $72,350,495 due to acquisitions during the end of '92.
- Maximized winners earnings via full participation in RJR programs:
  *EFT
  *AIM
  *Local Performance Requirements
- All divisions demonstrated very good follow-through on my requests to present/utilize our various distributor assist programs at all houses.

  1992 Dist. Assist Corp. earnings from RJR = $1,400.00
  YTD 8-93 Dist. Assist corp earnings from RJR = $52,258.38

  Much Improvement in 1993 vs.1992!
- NCC-LP corp. direction is to aggressively promote RJR's/NCC's PL/BW brand- "Directors Choice" at the Expense of all our competitors PL/BW brands.
- NCC-LP corp. office in Baltimore has centralized purchasing and is currently buying for 8 of their 10 locations - NCC plans to buy for all 10 houses by the end of 1993 in their Baltimore office.
- NCC-LP is ordering via the EDI system.

V. Action Plans

Continue to pursue distribution of Winston Select $2.00 Snipe product in Giant and Superfresh chains.

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VI. Miscellaneous

- I have gained approval to place Winston shopping baskets in Superfresh and Safeway Supermarkets.

- I have gained approval from Mobil Corp. Headquarters to utilize our 3-pack Auto Load Clamshell (item#408905) to tie in with Mobil's 3 pack special for use on our Pref. Pres. units to augment our on-going work plan promotions.

Future direction

Should you require any additional information, please advise.

Sincerely,

Bill

W.J. Roth
Chain Accounts Manager

WJR:slb

cc: AVP J.W. Best

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